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SUBJECT: FRENCH BIOTECH FARMERS FACE MULTIPLE PROBLEMS AND
CHALLENGES

REF: Paris 1448

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11. Summary. French biotech farmers are facing multiple challenges as they expand biotech corn acreage four fold in 2007. Despite this increase, talk of a biotech moratorium during the presidential campaign and new reporting requirements chilled what was expected to be an even larger amount following a successful 2006 biotech harvest. Even though farmers have surged ahead with production, while only having one biotech variety (Mon810) available for cultivation and only one market (Spain) in which to sell, anti-biotech activists continue their highly visible and detrimental campaign to destroy acceptance of biotechnology in France; acts aimed to discourage production by the farmers; to raise tensions between conventional and biotech farmers; to denigrate the image of biotech products in the minds of consumers and to sway the opinion of policy makers. The French government has failed to provide a regulatory structure or public support for the farmers, adding to the stress and uncertainty they face in producing a biotech crop. End Summary.

Background

12. France is the largest corn producer in the European Union, with 1.4 million hectares planted, producing 12 million tons in 2006 and exporting 5 million tons, primarily to Spain, the Netherlands, the United Kingdom and Germany. The French Ministry of Agriculture reports that French farmers planted more than 21,000 hectares of MON810 GM in 2007, representing roughly 0.75 percent of total French corn acreage. Officials with the French Corn Growers Association (AGPM) also believe that several thousand hectares (less than 3,000) have been planted, but not reported, by farmers in the northern half of France for on-farm usage. The 2007 biotech corn acreage represents a four-fold increase from 2006. While analysts had initially forecast 2007 biotech acreage of up to 50,000 hectares, experts now believe that farmers' spring planting decisions were negatively influenced by the anti-biotech positions of several leading presidential candidates and the new requirement that biotech field locations, which must be made to the Ministry of Agriculture,

be made public.

¶3. Even though French farmers only have access to one type of biotech seed, Mon810, patented by Monsanto, this variety is very helpful in capturing the maximum returns from their crop. Financial analysis by AGPM showed that extra profit from Mon810 crop, resulting from higher yields, higher crop quality and lower input costs offset fourfold the increased seed cost. Mon810 plants produce their own insect resistance making them less vulnerable to attacks by the European corn borer (*Ostrinia nubilalis*), an insect that thrives in southern France. Its larvae (caterpillar) eats the leaves and bores into the plant stalk, causing it to produce fewer and lower quality kernels and weakening it against negative weather impacts such as strong winds. Mon810 corn plants need fewer pesticide applications and produce a higher quality product with fewer input costs than traditional corn.

¶4. While Monsanto has the only patent available for biotech cultivation in France, other seed companies, having purchased a license from Monsanto, are now providing French farmers with more biotech seed selection.

Markets

¶5. The primary biotech product found in France is soybean meal, imported mainly from South America, which is used (98%) in the manufacture of animal feed. French consumers seem to be unaware that the animal products available on the French market may well have originated from an animal nourished on biotech feed. On the other hand, French consumers are very aware of, and continue to resist, the utilization of biotech in other products destined for human consumption. Since there is no market for biotech corn in the French food industry, biotech corn produced in France is primarily exported to Spain for use in animal feed.

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¶6. Spain is currently the only commercial market for French biotech corn. The product is shipped to Spain mainly in trucks. Keeping biotech corn separated from conventional corn in storage and/or transportation has not proven to be a problem in the past, with the caveat that as the GM crop gets bigger, more adventitious contamination may happen. AGPM officials are confident that having the Spanish market as the only outlet for biotech corn will not prove to be a limiting factor as demand remains strong.

¶7. In addition, demand for biotech corn is expected to increase as farmers expand their on-farm usage for animal feed. Interestingly, even though French feed manufacturers buy domestically-grown corn, primarily for use in pork and poultry feed, they refuse to purchase biotech corn. AGPM officials intend to pursue domestic feed manufacturers as another potential lucrative market.

¶8. AGPM officials hope to convince French feed manufacturers that, with mycotoxin levels significantly lower than in conventional corn, biotech corn should be an attractive commodity for their product. Mycotoxins are toxic by-products of various fungi, mainly of the *Aspergillum* or *Fusarium* families. Corn plants experiencing stress from conditions such as insect damage, drought or heat, may be more prone to fungi infestation, and therefore, will have increased levels of mycotoxins. Mycotoxins can have serious health impacts on animals and humans when ingested, some are even suspected of being carcinogenic. Thus, the Mon810 biotech corn grown in France, which contains an insect resistant component, produces corn with less stress, lower levels of mycotoxins and produces a safer animal feed product. AGPM conducted studies showing that, in 2006, Mon810 corn produced in France had mycotoxins contents more than 2000 times higher than non-GM corn. This will be important for farmers whose corn must meet lower EU maximum mycotoxin levels beginning in October 2007.

Problems: Anti-Biotech Activities

¶9. While French biotech farmers can feel secure, for now, in their

ability to market their product, they face several other discomforting factors. In France, lack of consumer acceptance of agricultural biotechnology in products for human consumption continues to be very strong. Food products labeled as containing or derived from biotech are generally not available on the French market.

¶10. Anti-biotech activists (mainly Greenpeace, Faucheurs Volontaires, ATTAC, Friends of the Earth, CRI-GEN and Confederation Paysanne farmers union) are well organized, highly visible and work consistently to discourage progress for biotech acceptance. During the summer of 2006, activists destroyed two thirds of the open-field test plots. Farm groups fumed at the immunity that anti-biotech groups have been afforded in these acts of destruction.

¶11. This summer, activists, dedicated to continuing their destructions in as public a manner as possible, have been busy with a variety of sabotage tactics, including, spreading traditional corn pollen on a GMO corn field; possibly spreading chemicals which prevented pollination; capturing bees in an GMO field to prevent them from pollinating the corn plants; pulling up corn plants; and assembling on farmers fields to convince them to destroy their GMO corn (even if for on-farm feed).

¶12. The last tactic received wide media coverage after a biotech farmer hanged himself before a planned anti-OGM rally near his field on August 5th. Although other factors may have contributed, following this incident, the French Minister of Ecology and the Minister of Agriculture issued a joint statement reiterating that the farmer was within his legal rights, that the State would not tolerate any forms of violence and asked that everyone respect the rule of law. FNSEA, the largest farmers union in France, usually quiet on the biotech issue, publicly decried the fact that biotech farmers are growing their crops under almost clandestine circumstances to avoid being targeted.

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¶13. Biotech farmers are also facing attacks from traditional farmers. A beekeeper is alleging that pollen from a biotech corn field has ruined his honey harvest and is suing the biotech farmer for damages.

¶14. Less visible to the public, but still very effective, is the pressure imposed by anti-biotech groups on the feed and food industries. For example, the Greenpeace website has a "blacklist" containing the name of any biotech food product marketed in France. Experience has shown that the negative publicity generated by offering a biotech product in a French supermarket is usually so detrimental that the retailer or distributor removes the product from the shelf.

French Government Reactions

¶15. (SBU) French biotech farmers have found little governmental support for their efforts. Nathalie Kosciusko-Morizet, the new Minister of State for Ecology, advocates a strong precautionary approach and only supports biotech research. French Minister of Agriculture Michel Barnier, according to high-level contacts at the Ministry, holds a more conservative view of agricultural biotechnology than his predecessor. (Mr. Barnier formerly served as a French Minister of the Environment.) However, he has promised to keep a fair and unbiased position toward biotechnology in his official functions.

¶16. Nevertheless, support by the Ministry of Agriculture has been less than robust. The Ministry has, so far, limited its objections to the crop destructions to press releases. The Ministry did publish "guidelines" in spring 2007 for planting measures between conventional and biotech corn. But farmers have no official regulations with which to comply leaving them vulnerable to liability from neighboring conventional farmers. (Reftel 1448) Additionally, the Ministry imposed a new requirement for 2007 that farmers must report their biotech acreage and location, by district, to a national register maintained by the Ministry (and available

online). The Ministry suggested that farmers voluntarily notify their neighbors growing conventional corn. Even though the Ministry registry does not provide the precise location of biotech crops, anti-biotech activists have honed in on two primary production areas and published a list of the biotech field locations.

¶17. Farmers are also frustrated that the police, in general, observe and tolerate the crop destructions, and the judicial system metes out moderate punishment to the activists who are prosecuted. In one case, the activists were found not guilty by reason of necessity, basically allowing them a self-defense argument that biotech development could be harmful to public health. The French legislature has also failed to pass any substantive measures on behalf of the biotech farmers.

¶18. French authorities remain reticent to permit new biotech varieties for cultivation, abstaining on two recent EU votes for new biotech products. French authorities confirmed that France will not support any new biotech measures before a government sponsored environmental conference to be held in October in Paris.

¶19. AGPM, French farm groups and Post will be closely following this environmental conference known as the "Le Grenelle de l'Environnement." Farmers' representatives as well as anti-biotech organizations are participating in preliminary meetings leading up to the conference.

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